

**MEDINA COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

**MEDINA COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

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## **FINANCIAL SECTION**



P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge and  
Commissioners' Court  
Medina County, Texas

### Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas, (the "County"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, in 2015 the County adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Governmental Accounting Standards (GASB) Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, and the schedule of funding progress for the other post-employment benefit plans on pages 4 – 10 and 53 – 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2016, on our consideration of the Medina County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina County, Texas' internal control over financial reporting and compliance.

*Pattillo, Brown + Hill, L.L.P.*

Waco, Texas  
May 6, 2016



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of Medina County, we offer readers of Medina County's financial statements this narrative overview and analysis of the financial activities of Medina County for the fiscal year ended September 30, 2015.

### Financial Highlights

- The assets of Medina County exceeded its liabilities at the close of the most recent fiscal year by \$31,736,595.
- The County's total net position increased by \$891,447.
- Unrestricted net position of \$11,245,798 is available to meet the County's ongoing obligations to citizens and creditors.
- Restricted net position of \$2,933,389 are funds set aside for specific purposes.
- As of the close of the fiscal year ending September 30, 2015, Medina County's governmental funds reported combined ending fund balances of \$11,615,774, a decrease of (\$11,258) from the prior year.
- Unassigned fund balance for the General Fund was \$7,189,203.

### Overview of the Financial Statements

This discussion and analysis is an introduction to Medina County's basic financial statements. The County's basic financial statements encompass three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements provide readers with a broad overview of Medina County's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to the direction of the financial position of Medina County.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, debt payments, and earned but unused vacation leave).

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Medina County maintains 58 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Construction in Progress Project Fund, which are considered to be a major funds. Data from the other 56 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Medina County adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and the Debt Service Fund. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with these budgets.

**Proprietary funds.** Medina County maintains proprietary funds in the form of Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Medina County uses Internal Service Funds to account for its Employee Health Insurance Fund and Claims Escrow Fund. Because both of these services predominantly benefit governmental activities, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties which are not a component of the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support Medina County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

## Financial Analysis of Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Medina County, assets exceeded liabilities by \$31,736,595 at the close of the most recent fiscal year.

### MEDINA COUNTY'S NET POSITION

	Governmental Activities	
	2015	2014
Current assets	\$ 17,821,746	\$ 16,584,696
Capital assets	22,002,366	18,212,802
Total assets	<u>39,824,112</u>	<u>34,797,498</u>
Deffered outflows of resources	843,032	-
Current liabilities	1,773,396	1,012,704
Noncurrent liabilities	7,157,153	2,939,646
Total liabilities	<u>8,930,549</u>	<u>3,952,350</u>
Net position:		
Net investment		
in capital assets	17,557,408	16,312,782
Restricted	2,933,389	3,019,438
Unrestricted	<u>11,245,798</u>	<u>11,512,928</u>
Total net position	<u>\$ 31,736,595</u>	<u>\$ 30,845,148</u>

A portion of the County's net position \$17,557,408 reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Medina County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay the debt associated with these capital assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets are shown in the chart below.

	2015	2014
Non-depreciable:		
CIP	\$ 4,574,411	\$ 1,251,660
Land	<u>1,391,299</u>	<u>1,344,740</u>
Capital assets, non-depreciable	<u>5,965,710</u>	<u>2,596,400</u>
Capital assets, net of depreciation:		
Buildings and improvements	5,664,982	6,256,515
Equipment	2,966,111	2,589,082
Infrastructure	<u>7,405,563</u>	<u>6,770,805</u>
	<u>\$ 16,036,656</u>	<u>\$ 15,616,402</u>

An additional portion of the County's net position \$2,933,389 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position \$11,245,798 may be used to meet the County's ongoing obligations to citizens and creditors.

### MEDINA COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2015	2014
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 4,304,779	\$ 3,963,086
Operating grants and contributions	1,792,481	1,433,654
Capital grants and contributions	158,407	-
General revenues:		
Property taxes	13,532,970	12,440,159
Sales taxes	2,185,211	1,852,635
Other	17,070	18,681
Investment earnings	54,677	104,710
Miscellaneous	714,277	512,787
Total revenues	22,759,872	20,325,712
<b>EXPENSES</b>		
General government	4,978,312	4,467,990
Legal	2,928,583	2,835,582
Public safety	6,648,822	6,184,247
Public transportation	5,411,913	2,117,732
Health and welfare	2,252,624	1,422,480
Interest on long-term debt	86,047	77,932
Total expenses	22,306,301	17,105,963
<b>CHANGE IN NET POSITION</b>	453,571	3,219,749
<b>NET POSITION, BEGINNING</b>	30,845,148	27,649,334
<b>PRIOR PERIOD ADJUSTMENT</b>	437,876	( 23,935)
<b>NET POSITION, ENDING</b>	\$ 31,736,595	\$ 30,845,148

Property taxes are collected to support government activity through the General Fund, special road and bridge funds, and Debt Service Fund. Although the county tax rate remained the same as the prior year, property tax revenues increased by \$1,092,811 (9%) to \$13,532,970 for the year because of increased values and new developments added to the rolls.

### Financial Analysis of the Governmental Funds

As noted earlier, Medina County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Medina County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Medina County's governmental funds reported combined ending fund balances of \$11,615,774, an decrease of \$11,258 in comparison with the prior year. Approximately 58% percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance, \$4,841,913 is nonspendable, restricted or assigned and is not available for new spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$8,130,237. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Fund balance in the General Fund represents 54% of total General Fund expenditures. Maintaining a significant fund balance is essential for sound financial management because a great majority of the grant funding for the County is in the form of reimbursements requiring the use of County funding upfront.

**Proprietary funds.** Proprietary funds are made up of two Internal Service Funds, which include the Employee Health Insurance and Claims Escrow Funds.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for fiscal year ending September 30, 2015, can be summarized as follows:

- Actual revenue exceeded budgeted revenue by \$591,530.
- Actual expenditures exceeded revenues by \$306,624.
- Actual expenditures exceeded the final budgeted expenditure amount by \$1,579,158.

## **Capital Asset and Debt Administration**

**Capital assets.** Medina County's investment in capital assets for its governmental activities as of September 30, 2015, amounts to \$22,002,366 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Disposal of road machinery;
- Acquisition of autos for various departments;
- Acquisition of additional machinery (road);
- Major reconstruction/improvements to roads;

Additional information about Medina County's capital assets can be found in Note 4 of the notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$1,090,000. The full amount is backed by the full faith and credit of the County. Medina County's bonded debt decreased by \$345,000 during the current fiscal year.

Medina County is not currently rated because there is no outstanding public bond issues.

Additional information on Medina County's long-term debt can be found in Note 4 of the notes to the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

- Educated budget management for the past six years contributed to the significantly improved financial results;
- Residential development within the County has pressured an increase of property values; although recently the rate of increase which had slowed due to general economic conditions appears to be rebounding.
- Overall expansion of economic development in neighboring metro-Bexar County continues its spillover effect throughout the County.
- Healthy local economies and growth are bringing increasing expectations of expanded and new government services;
- Enhancement of technology infrastructure continues as a priority in order to meet growth expectations and improve efficiency.

Because of the evolving nature of state and federally funded projects from up-front grants to post expenditure reimbursements, the increasing demands for services, and the continuing stream of unfunded mandates from the state, it is imperative for the County to maintain and improve its unassigned fund balances. In addition, a healthy fund balance enables the County to make modest capital expenditures in the form of facilities investments without adding to its outstanding debt.

Maintaining a current level of health care benefits for employees will be a challenge because of medical claims experience and increasing medical care and administrative costs. The current uncertainty in the healthcare industry and the direction of federal regulation will add to the challenge of maintaining an acceptable healthcare benefit level.

The continuing increase in population in the County coupled with a growing demand for government services has placed a strain on existing facilities, especially the Courthouse and County Jail. Both are overcrowded and a number of jail inmates are being housed in nearby counties. The County has several large capital projects in progress which will likely spill over into the upcoming 2016-2017 budget cycle: 1) the completion of the Castroville Annex building in Precinct 2 which will include the parking lot, and 2) the construction and installation of a new Motorola radio system and towers for the sheriff and other law enforcement agencies. In addition, the next budget will include maintenance and improvement projects for the courthouse, tax office and other buildings owned by the county that are in need of repairs. Another item of capital expense will be to determine whether funds are available to purchase a new election system to replace the current 12 year old system. The County has been approved to have County Wide Polling which allows the citizens of any precinct to vote at any voting location.

### **Requests for Information**

This financial report provides an overview of Medina County's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chris Schuchart, Medina County Judge.



**BASIC  
FINANCIAL STATEMENTS**

**MEDINA COUNTY, TEXAS**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2015**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 12,055,672
Receivables:	
Ad valorem taxes	965,181
Sales tax	289,871
Intergovernmental	344,589
Fines	3,257,303
Other	908,547
Prepaid items	583
Capital assets:	
Nondepreciable	5,965,710
Depreciable, net of accumulated depreciation	<u>16,036,656</u>
Total assets	<u>39,824,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>843,032</u>
Total deferred outflows of resources	<u>843,032</u>
<b>LIABILITIES</b>	
Accounts payable	1,219,735
Accrued liabilities	342,302
Interest payable	11,580
Unearned revenue	70,615
Other liabilities	129,164
Noncurrent liabilities:	
Due within one year	1,231,959
Due in more than one year	<u>5,925,194</u>
Total liabilities	<u>8,930,549</u>
<b>NET POSITION</b>	
Net investment in capital assets	17,557,408
Restricted for:	
Road and bridge	1,870,944
Debt service	53,370
Records management and technology	388,659
Law enforcement and security	121,577
Juvenile probation services	33,199
Grant requirements	166,633
Capital Projects	299,007
Unrestricted	<u>11,245,798</u>
Total net position	<u>\$ 31,736,595</u>

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

					Net (Expense) Revenue and Changes in Net Position
					<u>Primary Government</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Primary Government:</b>					
Governmental activities:					
General administration	\$ 4,978,312	\$ 1,264,401	\$ 188,420	\$ -	\$( 3,525,491)
Legal	2,928,583	282,048	133,019	-	( 2,513,516)
Public safety	6,648,822	1,774,055	19,452	-	( 4,855,315)
Public transportation	5,411,913	982,785	66,051	158,407	( 4,204,670)
Health and welfare	2,252,624	1,490	1,385,539	-	( 865,595)
Interest on long-term debt	<u>86,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 86,047)</u>
Total governmental activities	<u>22,306,301</u>	<u>4,304,779</u>	<u>1,792,481</u>	<u>158,407</u>	<u>( 16,050,634)</u>
General revenues:					
Taxes:					
Property					13,532,970
Sales					2,185,211
Other					17,070
Investment earnings					54,677
Miscellaneous					<u>714,277</u>
Total general revenues					<u>16,504,205</u>
Change in net position					453,571
Net position, beginning					<u>30,845,148</u>
Prior period adjustment					<u>437,876</u>
Net position, ending					<u>\$ 31,736,595</u>

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	<u>General</u>	<u>Construction In Progress Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 7,900,223	\$ 444,238	\$ 3,632,689	\$ 11,977,150
Receivables:				
Ad valorem taxes	773,083	-	192,098	965,181
Sales tax	289,871	-	-	289,871
Intergovernmental	26,446	-	318,143	344,589
Other	403,021	-	458,276	861,297
Prepaid items	583	-	-	583
Due from other funds	461,027	-	-	461,027
Total assets	<u>9,854,254</u>	<u>444,238</u>	<u>4,601,206</u>	<u>14,899,698</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	339,218	183,769	475,142	998,129
Payroll liabilities	253,614	-	88,688	342,302
Other liabilities	106,931	-	22,233	129,164
Due to other funds	-	-	461,027	461,027
Unearned revenue	-	-	70,615	70,615
Total liabilities	<u>699,763</u>	<u>183,769</u>	<u>1,117,705</u>	<u>2,001,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<u>1,024,254</u>	-	<u>258,433</u>	<u>1,282,687</u>
Total deferred inflows of resources	<u>1,024,254</u>	-	<u>258,433</u>	<u>1,282,687</u>
Fund balances:				
Nonspendable - prepaid items	583	-	-	583
Restricted for:				
Road and bridge	-	-	1,674,811	1,674,811
Debt service	-	-	2,650	2,650
Records management and technology	-	-	388,659	388,659
Law enforcement and security	-	-	121,577	121,577
Juvenile probation services	-	-	33,199	33,199
Grant requirements	-	-	166,633	166,633
Capital Projects	-	260,469	1,252,881	1,513,350
Assigned for:				
Utilization of fund balance in subsequent year's budget	940,451	-	-	940,451
Unassigned	7,189,203	-	( 415,342)	6,773,861
Total fund balances	<u>8,130,237</u>	<u>260,469</u>	<u>3,225,068</u>	<u>11,615,774</u>
Total liabilities and fund balances	<u>\$ 9,854,254</u>	<u>\$ 444,238</u>	<u>\$ 4,601,206</u>	<u>\$ 14,899,698</u>

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2015**

Total fund balance, governmental funds	\$ 11,615,774
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,002,366
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,539,990
An internal service fund is used by management to charge the costs County health insurance costs to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities of the Statement of Net Position.	( 95,834)
Some liabilities, (such as bonds payable, capital leases, long-term compensated absences, time warrants, net pension liability, and net OPEB obligations ), are not due and payable in the current period and are not included in the funds.	<u>( 6,325,701)</u>
Net position of governmental activities in the Statement of Net Position	\$ <u>31,736,595</u>

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General	Construction In Progress Project Fund	Other Governmental	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 10,488,083	\$ -	\$ 2,617,946	\$ 13,106,029
Sales tax	2,185,211	-	-	2,185,211
Other taxes	17,070	-	-	17,070
Licenses and permits	-	-	824,110	824,110
Intergovernmental	137,820	-	1,757,548	1,895,368
Charges for services	1,462,361	-	47,625	1,509,986
Fines and forfeitures	796,834	-	927,088	1,723,922
Interest	43,442	167	10,390	53,999
Miscellaneous	163,276	-	599,171	762,447
Total revenues	15,294,097	167	6,783,878	22,078,142
<b>EXPENDITURES</b>				
Current:				
General administration	4,095,964	15,494	378,258	4,489,716
Legal	2,701,491	-	96,014	2,797,505
Public safety	5,449,727	-	473,786	5,923,513
Public transportation	-	-	3,970,737	3,970,737
Health and welfare	286,340	-	1,840,449	2,126,789
Capital outlay	2,453,951	3,183,432	825,038	6,462,421
Debt service:				
Principal	-	-	555,215	555,215
Interest and other charges	-	-	82,429	82,429
Total expenditures	14,987,473	3,198,926	8,221,926	26,408,325
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	306,624	( 3,198,759)	( 1,438,048)	( 4,330,183)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from debt issue	-	-	2,584,832	2,584,832
Sale of capital assets	536,139	-	18,290	554,429
Lease proceeds	1,729,664	-	-	1,729,664
Transfers in	-	3,459,228	1,083,515	4,542,743
Transfers out	( 3,407,869)	-	( 1,684,874)	( 5,092,743)
Total other financing sources and uses	( 1,142,066)	3,459,228	2,001,763	4,318,925
<b>NET CHANGE IN FUND BALANCES</b>	( 835,442)	260,469	563,715	( 11,258)
<b>FUND BALANCES, BEGINNING</b>	8,965,679	-	2,661,353	11,627,032
<b>FUND BALANCES, ENDING</b>	\$ 8,130,237	\$ 260,469	\$ 3,225,068	\$ 11,615,774

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Net change in fund balances - total governmental funds:	\$( 11,258)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,789,564
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	681,052
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	( 3,759,281)
Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date.	160,089
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	( 216,777)
Internal service funds are used by management to charge the cost of County health insurance to individual funds. The net expense of certain activities of the internal service fund is reported as governmental activities.	<u>( 189,818)</u>
Change in net position of governmental activities	<u>\$ 453,571</u>

**The accompanying notes are an integral part of these financial statements.**

**MEDINA COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Ad valorem	\$ 10,496,895	\$ 10,496,895	\$ 10,488,083	\$( 8,812)
Sales	1,860,000	1,860,000	2,185,211	325,211
Beer and wine	18,000	18,000	17,070	( 930)
Total taxes	<u>12,374,895</u>	<u>12,374,895</u>	<u>12,690,364</u>	<u>315,469</u>
Intergovernmental				
State allocation - HB66	75,000	75,000	83,898	8,898
State allocation - grants	47,500	47,500	53,922	6,422
Total intergovernmental	<u>122,500</u>	<u>122,500</u>	<u>137,820</u>	<u>15,320</u>
Charges for services				
County clerk	300,000	300,000	323,904	23,904
District clerk	95,000	95,000	92,938	( 2,062)
Tax assessor-collector	200,000	200,000	219,353	19,353
Sheriff	120,000	120,000	111,599	( 8,401)
County attorney	90,000	90,000	117,086	27,086
County treasurer	175,000	175,000	333,376	158,376
Constable fees	23,000	23,000	37,994	14,994
County Judge	1,800	1,800	2,144	344
Other taxing entities	140,000	140,000	123,669	( 16,331)
Other fees	156,300	156,300	100,298	( 56,002)
Total charges for services	<u>1,301,100</u>	<u>1,301,100</u>	<u>1,462,361</u>	<u>161,261</u>
Fines and forfeitures				
Justice of the peace	519,500	663,422	796,834	133,412
Total fines and forfeitures	<u>519,500</u>	<u>663,422</u>	<u>796,834</u>	<u>133,412</u>
Interest	90,000	90,000	43,442	( 46,558)



**MEDINA COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous				
Other	\$ 150,650	\$ 150,650	\$ 163,276	\$ 12,626
Total miscellaneous	<u>150,650</u>	<u>150,650</u>	<u>163,276</u>	<u>12,626</u>
Total revenues	<u>14,558,645</u>	<u>14,702,567</u>	<u>15,294,097</u>	<u>591,530</u>
<b>EXPENDITURES</b>				
General administration				
Commissioners' court				
Personnel services	174,372	174,624	177,277	( 2,653)
Supplies	1,500	1,500	1,374	126
Other services and charges	<u>16,150</u>	<u>16,021</u>	<u>16,004</u>	<u>17</u>
Total commissioners' court	<u>192,022</u>	<u>192,145</u>	<u>194,655</u>	<u>( 2,510)</u>
Loss control				
Personnel services	11,546	11,546	10,442	1,104
Supplies	200	200	-	200
Other services and charges	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total loss control	<u>12,046</u>	<u>12,046</u>	<u>10,442</u>	<u>1,604</u>
County clerk				
Personnel services	407,064	396,955	396,358	597
Supplies	15,000	11,807	11,180	627
Other services and charges	<u>39,900</u>	<u>54,403</u>	<u>49,799</u>	<u>4,604</u>
Total County clerk	<u>461,964</u>	<u>463,165</u>	<u>457,337</u>	<u>5,828</u>
Veteran service officer				
Personnel services	30,722	30,722	30,584	138
Supplies	1,000	1,000	325	675
Other services and charges	<u>3,925</u>	<u>3,992</u>	<u>2,893</u>	<u>1,099</u>
Total veteran service officer	<u>35,647</u>	<u>35,714</u>	<u>33,802</u>	<u>1,912</u>

**MEDINA COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
General administration				
Elections				
Personnel services	\$ 184,745	\$ 184,745	\$ 170,529	\$ 14,216
Supplies	20,000	15,737	8,203	7,534
Other services and charges	80,625	84,888	61,378	23,510
Total elections	<u>285,370</u>	<u>285,370</u>	<u>240,110</u>	<u>45,260</u>
County auditor				
Personnel services	333,285	333,285	267,782	65,503
Supplies	4,000	4,924	4,924	-
Other services and charges	20,600	19,676	15,747	3,929
Total County auditor	<u>357,885</u>	<u>357,885</u>	<u>288,453</u>	<u>69,432</u>
County treasurer				
Personnel services	249,945	249,945	248,554	1,391
Supplies	4,500	4,322	4,109	213
Other services and charges	22,500	22,678	14,684	7,994
Total County treasurer	<u>276,945</u>	<u>276,945</u>	<u>267,347</u>	<u>9,598</u>
Human resources/grants				
Personnel services	113,969	113,969	112,480	1,489
Other services and charges	69,050	69,050	57,705	11,345
Total human resources/grants	<u>188,019</u>	<u>188,019</u>	<u>176,440</u>	<u>11,579</u>
Tax assessor-collector				
Personnel services	717,792	701,598	648,209	53,389
Supplies	18,000	18,000	16,894	1,106
Other services and charges	73,100	77,620	59,631	17,989
Total tax assessor-collector	<u>808,892</u>	<u>797,218</u>	<u>724,734</u>	<u>72,484</u>
Nondepartmental				
Personnel services	156,627	184,377	183,496	881
Other services and charges	1,487,000	1,179,723	866,609	313,114
Total nondepartmental	<u>1,643,627</u>	<u>1,364,100</u>	<u>1,050,105</u>	<u>313,995</u>
County agent				
Personnel services	116,557	115,841	104,779	11,062
Supplies	2,750	2,910	2,909	1
Other services and charges	28,350	28,831	26,805	2,026
Total County agent	<u>147,657</u>	<u>147,582</u>	<u>134,493</u>	<u>13,089</u>

**MEDINA COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
General administration				
Courthouse and buildings				
Personnel services	\$ 200,077	\$ 201,629	\$ 182,149	\$ 19,480
Supplies	33,500	45,435	45,208	227
Other services and charges	280,950	272,014	257,119	14,895
Total courthouse and buildings	<u>514,527</u>	<u>519,078</u>	<u>484,476</u>	<u>34,602</u>
Subdivision administration department				
Personnel services	13,533	13,533	6,230	7,303
Supplies	200	200	74	126
Other services and charges	20,000	34,645	27,266	7,379
Total subdivision administration department	<u>33,733</u>	<u>48,378</u>	<u>33,570</u>	<u>14,808</u>
Total general administration	<u>4,958,334</u>	<u>4,687,645</u>	<u>4,095,964</u>	<u>591,681</u>
Legal				
District and County court				
Personnel services	275,360	277,545	273,310	4,235
Supplies	4,500	2,259	2,259	-
Other services and charges	518,492	634,450	561,956	72,494
Total district and County court	<u>798,352</u>	<u>914,254</u>	<u>837,525</u>	<u>76,729</u>
District clerk				
Personnel services	367,652	367,652	356,747	10,905
Supplies	8,000	8,000	7,104	896
Other services and charges	39,750	40,916	34,393	6,523
Total district clerk	<u>415,402</u>	<u>416,568</u>	<u>398,244</u>	<u>18,324</u>

# MEDINA COUNTY, TEXAS

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Legal				
Justices of the peace				
Personnel services	\$ 632,952	\$ 632,134	\$ 628,650	\$ 3,484
Supplies	7,200	7,200	6,080	1,120
Other services and charges	45,010	46,828	37,484	9,344
Total justices of the peace	<u>685,162</u>	<u>686,162</u>	<u>672,214</u>	<u>13,948</u>
County attorney				
Personnel services	302,477	302,477	289,092	13,385
Supplies	4,500	4,500	1,744	2,756
Other services and charges	26,850	29,850	24,833	5,017
Total County attorney	<u>333,827</u>	<u>336,827</u>	<u>315,669</u>	<u>21,158</u>
District attorney				
Personnel services	4,862	4,862	4,499	363
Other services and charges	467,625	473,039	473,340	( 301)
Total district attorney	<u>472,487</u>	<u>477,901</u>	<u>477,839</u>	<u>62</u>
Total legal	<u>2,705,230</u>	<u>2,831,712</u>	<u>2,701,491</u>	<u>130,221</u>
Public safety				
County jail				
Personnel services	1,384,762	1,233,260	1,215,131	18,129
Supplies	213,200	276,184	269,015	7,169
Other services and charges	484,800	569,718	557,257	12,461
Total County jail	<u>2,082,762</u>	<u>2,079,162</u>	<u>2,041,403</u>	<u>37,759</u>

**MEDINA COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Public safety				
Constables				
Personnel services	\$ 167,089	\$ 167,887	\$ 166,536	\$ 1,351
Supplies	4,450	6,503	4,735	1,768
Other services and charges	60,190	69,528	65,495	4,033
Total constables	<u>231,729</u>	<u>243,918</u>	<u>236,766</u>	<u>7,152</u>
Sheriff				
Personnel services	2,566,545	2,523,401	2,510,359	13,042
Supplies	206,700	176,736	163,154	13,582
Other services and charges	186,550	270,057	260,438	9,619
Total sheriff	<u>2,959,795</u>	<u>2,970,194</u>	<u>2,933,951</u>	<u>36,243</u>
Juvenile board				
Personnel services	14,126	14,126	12,801	1,325
Total juvenile board	<u>14,126</u>	<u>14,126</u>	<u>12,801</u>	<u>1,325</u>
DPS/license and weight				
Personnel services	71,895	71,895	66,046	5,849
Supplies	2,400	2,562	2,561	1
Other services and charges	11,600	11,438	7,867	3,571
Total DPS/license and weight	<u>85,895</u>	<u>85,895</u>	<u>76,474</u>	<u>9,421</u>
Highway patrol				
Personnel services	71,895	71,895	65,952	5,943
Supplies	1,500	1,892	1,891	1
Other services and charges	6,050	5,658	4,247	1,411
Total highway patrol	<u>79,445</u>	<u>79,445</u>	<u>72,090</u>	<u>7,355</u>
Emergency management				
Personnel services	64,388	64,388	60,107	4,281
Supplies	11,250	11,532	8,623	2,909
Other services and charges	13,600	13,318	7,512	5,806
Total emergency management	<u>89,238</u>	<u>89,238</u>	<u>76,242</u>	<u>12,996</u>
Total public safety	<u>5,542,990</u>	<u>5,561,978</u>	<u>5,449,727</u>	<u>112,251</u>

# MEDINA COUNTY, TEXAS

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Health and welfare				
Sanitation inspection				
Personnel services	\$ 142,813	\$ 152,855	\$ 146,147	\$ 6,708
Supplies	9,300	9,509	6,281	3,228
Other services and charges	20,825	20,616	17,060	3,556
Total sanitation inspection	172,938	182,980	169,488	13,492
Social services and indigent services				
Personnel services	400	400	532	( 132)
Other services and charges	144,317	143,600	116,320	27,280
Total social services and indigent services	144,717	144,000	116,852	27,148
Total health and welfare	317,655	326,980	286,340	40,640
Capital outlay	1,514,600	1,301,792	2,453,951	( 1,152,159)
Total expenditures	13,524,209	13,408,315	14,987,473	( 1,579,158)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,034,436	1,294,252	306,624	( 987,628)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	5,000	5,000	536,139	531,139
Lease proceeds	-	-	1,729,664	1,729,664
Transfers out	( 786,393)	( 1,283,878)	( 3,407,869)	( 2,123,991)
Total other financing sources (uses)	( 781,393)	( 1,278,878)	( 1,142,066)	136,812
<b>NET CHANGE IN FUND BALANCE</b>	253,043	15,374	( 835,442)	( 850,816)
<b>FUND BALANCE, BEGINNING</b>	8,965,679	8,965,679	8,965,679	-
<b>FUND BALANCE, ENDING</b>	\$ 9,218,722	\$ 8,981,053	\$ 8,130,237	\$( 850,816)

The notes to the financial statements are an integral part of this statement.

**MEDINA COUNTY, TEXAS**

**STATEMENT OF NET POSITION**

**GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND**

**SEPTEMBER 30, 2015**

**ASSETS**

Cash and investments	\$	78,522
Other receivables		<u>47,250</u>
Total assets	\$	<u>125,772</u>

**LIABILITIES**

Accounts payable	\$	<u>221,606</u>
Total liabilities	\$	<u>221,606</u>

**NET POSITION**

Unrestricted	\$	<u>( 95,834)</u>
Total net position	\$	<u>( 95,834)</u>

**The notes to the financial statements are an integral part of this statement.**

**MEDINA COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

**GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,324,750
Miscellaneous revenue	<u>10,686</u>
Total operating revenues	<u>2,335,436</u>
<b>OPERATING EXPENSES</b>	
Claims	2,426,993
Premiums and administrative	<u>648,939</u>
Total operating expenses	<u>3,075,932</u>
<b>OPERATING INCOME</b>	<u>( 740,496)</u>
<b>NONOPERATING REVENUES</b>	
Interest and investment earnings	<u>678</u>
Income before transfers	<u>( 739,818)</u>
<b>TRANSFERS</b>	
Transfer In	<u>550,000</u>
<b>CHANGE IN NET POSITION</b>	<u>( 189,818)</u>
<b>TOTAL NET POSITION, BEGINNING</b>	<u>93,984</u>
<b>TOTAL NET POSITION, ENDING</b>	<u><u>\$ ( 95,834)</u></u>

**The notes to the financial statements are an integral part of this statement.**



**MEDINA COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from users	\$ 2,335,436
Cash paid to suppliers for services	<u>( 3,049,612)</u>
Net cash used by operating activities	<u>( 714,176)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in from other funds	<u>550,000</u>
Net cash provided by operating activities	<u>550,000</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and investment earnings	<u>678</u>
Net cash provided by investing activities	<u>678</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 ( 163,498)
 <b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	 <u>242,020</u>
 <b>CASH AND CASH EQUIVALENTS, ENDING</b>	 <u>\$ 78,522</u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$( 740,496)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase (decrease) in accounts payable	<u>73,570</u>
Net cash used by operating activities	<u>\$( 714,176)</u>

**The notes to the financial statements are an integral part of this statement.**

**MEDINA COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2015**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>3,103,846</u>
Total assets	\$ <u><u>3,103,846</u></u>
<b>LIABILITIES</b>	
Due to others	\$ <u>3,103,846</u>
Total liabilities	\$ <u><u>3,103,846</u></u>

**The notes to the financial statements are an integral part of this statement.**

# MEDINA COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Medina County, Texas, was organized in 1848. The County operates under a County Judge-Commissioners' Court type of government and provides the following services throughout the County: public safety (law enforcement), public transportation (highways and roads), health and welfare, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. A summary of the significant accounting policies consistently applied in the preparation of financial statements follows:

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Medina County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discretely presented component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Based upon the foregoing criteria, there are no component units for Medina County.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental fund:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Construction in Progress Project Fund** is the County's capital project fund, it accounts for various construction projects.

Additionally, the County reports the following fund types:

*Special Revenue Funds* are used to account for specific revenue sources (other than for capital projects) that are legally restricted to expenditures for specified purposes. These legal restrictions can come from outside the county or from Commissioners' Court.

The *Debt Service Fund* is used to account for the accumulation of resources for and the payment of long-term debt principal and interest. The primary source of revenue for Debt Service Funds is ad valorem taxes. The use of Debt Service Funds to service debt is not required unless legally mandated or if resources are accumulated for payments maturing in future years.

The *Internal Service Fund* accounts for health insurance services provided to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

*Agency Funds* account for assets held by the County in a trustee capacity or as an agent for others.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

#### **D. Assets, Liabilities and Net Position or Equity**

##### **Cash and Investments**

The government's cash and cash equivalents are considered to be cash on hand and demand deposits.

Operating cash is administered using a "pool" concept which combines the monies of most County funds into a single interest-bearing bank account for control purposes. Each fund's portion of this pool is accounted for in the applicable fund. Interest earnings on these deposits are apportioned to each fund based on their end of month balance in the pool.

##### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans).

## **Property Taxes**

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review, and judicial review. Property taxes are levied by October 1 of the year in which assessed or as soon thereafter as practicable. The Medina County Tax Assessor-Collector bills and collects the ad valorem property taxes (including penalty and interest and delinquent tax attorney fees, if any) for the County. Property taxes are due and payable from October 1 of the year in which levied until January 31 of the following year without interest or penalty.

Collections of the current year's levy are reported as current collections if received by June 30 (within nine months of the October 1 due date). Collections received thereafter are reported as delinquent collections.

The County's taxes on Medina property are a lien against such property until paid. The County may foreclose on Medina property upon which it has a lien for unpaid taxes. The exception is homestead property belonging to persons 65 years of age or older. Although the County does collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected, are generally paid when there is a sale or a transfer of the title to the property.

Any liens and subsequent suits against the taxpayer for payment of delinquent personal property taxes are barred unless instituted within four years from the time such taxes become delinquent. Unlike Medina property, the sale or transfer of most personal property does not require any evidence that taxes thereon are paid.

The County distributes all tax collections to the General Fund, Road and Bridge, and Debt Service Funds.

The 2014 Tax Rate for the fiscal year ended September 30, 2015, was \$0.5250 per \$100 valuation.

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a County-wide appraisal district and an appraisal review board in each County in the State. The Medina County Tax Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of property for all taxing units in the County.

The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, Medina property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the County, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action. Under the Code, the Commissioners' Court will continue to set County tax rates on property.

## **Inventories**

Inventories of supplies on hand have not been recorded, as such supplies are of an expendable nature and are expensed when purchased. As these amounts do not seem to fluctuate a great deal from year to year, it is felt that the exclusion of inventories does not materially affect either the financial position or results of operations of these funds.

## Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	5-50
Equipment	5-20

## Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability is reported for a portion of accumulating sick leave when it is probable that the government will make termination payments.

## Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County Judge.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.



When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in that period that the amounts become available.

## Prior Period Adjustment

GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27," which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted restatement of beginning net position for the recording of the beginning net pension liability in the amount of \$73,277, and the beginning deferred outflow for contributions made after the measurement date in the amount of \$511,153. These items cumulatively resulted in a restatement of governmental activities net position in the amount of \$437,876.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(6,325,701) difference are as follows:

General obligation bonds	\$( 1,090,000)
Tax note	( 2,500,000)
Time warrants	( 339,637)
Capital leases	( 1,729,664)
Accrued interest payable	( 11,580)
Net pension liability	597,965
Net OPEB obligation	( 1,102,591)
Compensated absences	( <u>150,194</u> )
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$( <u>6,325,701</u> )

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,789,564 difference are as follows:

Capital outlay	\$ 5,491,041
Depreciation expense	( 1,049,653)
Disposal of capital assets	<u>( 651,824)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,789,564</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$(3,729,281) difference are as follows:

Principal repayments:	
General obligation bonds	\$ 345,000
Tax note	( 2,500,000)
Capital lease	( 1,729,664)
Time warrants	<u>125,383</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$( 3,759,281)</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(216,777) difference are as follows:

Compensated absences	\$( 26,889)
Net OPEB Obligation	( 186,270)
Accrued interest	<u>( 3,618)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$( 216,777)</u>

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$681,052 difference are as follows:

Property taxes	\$ 426,941
Court fines	<u>254,111</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 681,052</u>

### 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### Budgetary Information

The Commissioners' Court may levy taxes only in accordance with the budget. After final approval of the budget, the Commissioners' Court may spend County funds only in strict compliance with the budget, except in an emergency. The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court must file a copy of its order amending the budget with the County Clerk and the Clerk shall attach the copy to the original budget. Only the Commissioners' Court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year and approved by the Commissioners' Court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as closely as possible revenue and expenditures for the 12-month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenue and expenditures as opposed to the prorated budget estimates.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Judge, with the help of the County Auditor, prepares an estimate of revenue and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court.

The Commissioners' Court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenue and available resources. Also, amendments can be made within the above guidelines.

When the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

Budgets for the General Fund and budgeted Special Revenue, Debt Service and Capital Projects Funds are adopted on a modified accrual basis in accordance with generally accepted accounting principles (GAAP Basis). The following Special Revenue Funds are not budgeted: Sheriff's Forfeiture – Old and the 4th Court of Appeals.

The level of control is the fund. By state law, expenditures can exceed appropriations as long as the amounts do not exceed the available revenue and cash balances. The County prepares its budget on a GAAP basis. Since revenue and expenditures are carefully monitored, it is felt that with the GAAP basis, the County will be in compliance with state law.

**Deficit Fund Equity**

The Community Justice Assistance, Health Unit, Sheriff Short-term Grants, Purchase of Youth Services, Texas Capital Fund Grant, Court Reporter, Sheriff's Forfeiture – General, Project Safe Neighborhoods, JAG - District Attorney, County Public Health, Tax Increment Zone, Debt Service, and Capital Project funds have deficit fund balances of \$(16,402), \$(38,858), \$(3,604), \$(514), \$(172,347), \$(7,059), \$(1,474), \$(1,106), \$(892), \$(16,979), \$(47,264), \$(12,884) and \$(105,399), and respectively. The County anticipates revenues in future periods will eliminate these deficit fund balances or the County will transfer funds from the General Fund to eliminate these deficits.

**4. DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

As of September 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ <u>12</u>	41
	\$ <u>12</u>	

The County's investment pool is 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

*Interest Rate Risk.* In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the weighted average maturity of the investment portfolios to a maximum of 90 days.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2015, the County's deposit balance was collateralized with securities held by the pledging financial institution and FDIC insurance.

*Credit Risk.* It is the County's policy, as defined by the Texas Public Funds Investment Act, to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The County's investments were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's

### **Receivables**

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 773,083	\$ 192,098	\$ -	\$ 965,181
Sales tax	289,871	-	-	289,871
Intergovernmental	26,446	318,143	-	344,589
Other	<u>403,021</u>	<u>458,276</u>	<u>47,250</u>	<u>861,297</u>
Total receivables	<u>\$ 1,492,421</u>	<u>\$ 968,517</u>	<u>\$ 47,250</u>	<u>\$ 2,460,938</u>

## Capital Assets

### Primary Government

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Transfers / Adjustments	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,344,740	\$ 46,559	\$ -	\$ -	\$ 1,391,299
Construction in progress	1,251,660	3,369,310	( 46,559)	-	4,574,411
Total capital assets not being depreciated	<u>2,596,400</u>	<u>3,415,869</u>	<u>( 46,559)</u>	<u>-</u>	<u>5,965,710</u>
Capital assets, being depreciated:					
Buildings and improvements	10,418,023	311,550	( 592,411)	-	10,137,162
Equipment	8,729,791	921,504	( 128,549)	-	9,522,746
Infrastructure	16,020,125	842,118	-	-	16,862,243
Total capital assets being depreciated	<u>35,167,939</u>	<u>2,075,172</u>	<u>( 720,960)</u>	<u>-</u>	<u>36,522,151</u>
Less accumulated depreciation:					
Buildings and improvements	4,161,508	313,046	-	( 2,374)	4,472,180
Equipment	6,140,708	531,622	( 115,695)	-	6,556,635
Infrastructure	9,249,321	204,448	-	2,911	9,456,680
Total accumulated depreciation	<u>19,551,537</u>	<u>1,049,116</u>	<u>( 115,695)</u>	<u>537</u>	<u>20,485,495</u>
Total capital assets, being depreciated, net	<u>15,616,402</u>	<u>1,026,056</u>	<u>( 605,265)</u>	<u>( 537)</u>	<u>16,036,656</u>
Governmental activities capital assets, net	<u>\$ 18,212,802</u>	<u>\$ 4,441,925</u>	<u>\$( 651,824)</u>	<u>\$( 537)</u>	<u>\$ 22,002,366</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 303,666
Legal	15,319
Public safety	395,641
Public transportation	300,892
Health and welfare	<u>33,598</u>
Total depreciation expense - governmental activities	<u>\$ 1,049,116</u>

**Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2015, is as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental	\$ <u>461,027</u>
Total		\$ <u>461,027</u>

All balances of the due to/due from resulted from short-term loans that are to be reimbursed within the next year.

**Interfund Transfers:**

	<u>Transfers In</u>			<u>Total</u>
	<u>Construction In Progress Project Fund</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Fund</u>	
<u>Transfers Out:</u>				
General	\$ 2,857,869	\$ -	\$ 550,000	\$ 3,407,869
Nonmajor governmental	<u>601,359</u>	<u>1,083,515</u>	<u>-</u>	<u>1,684,874</u>
Total Transfers Out	<u>\$ 3,459,228</u>	<u>\$ 1,083,515</u>	<u>\$ 550,000</u>	<u>\$ 5,092,743</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Long-term Debt**

**General Obligation Bonds**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.1%	\$ 1,090,000



Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 350,000	\$ 19,215
2017	365,000	11,708
2018	<u>375,000</u>	<u>3,938</u>
Total	<u>\$ 1,090,000</u>	<u>\$ 34,861</u>

**Tax Note**

In May 2015, the County received a tax note in the amount of \$2,500,000. The tax note will be use for the following (i) for the construction of public works (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way, and (iii) for professional services.

<u>Interest Rates</u>	<u>Amount</u>
.35% - 1.55%	\$ 2,500,000

Annual debt service requirements to maturity for the tax note are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 340,000	\$ 32,827
2017	350,000	24,263
2018	355,000	21,349
2019	360,000	17,415
2020	360,000	13,095
2021	365,000	8,290
2022	<u>370,000</u>	<u>2,868</u>
Total	<u>\$ 2,500,000</u>	<u>\$ 120,107</u>

## Time Warrants

The County has 10 time warrants for the purchase of various machinery and equipment. The interest rates on the warrants are 3.00% to 5.00%. Annual debt service requirements to maturity for time warrants are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 145,234	\$ 11,858
2017	80,234	6,151
2018	80,234	3,589
2019	16,966	3,589
2020	<u>16,969</u>	<u>1,035</u>
Total	\$ <u>339,637</u>	\$ <u>26,222</u>

## Capital Leases

The government has acquired certain fixed assets for governmental activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Asset</u>
Governmental activities Assets:	
Motorola Communications Upgrade	\$ 1,729,664
Accumulated depreciation	<u>-</u>
Total	\$ <u>1,729,664</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2015	\$ <u>1,836,309</u>
Total minimum lease payments	1,836,309
Less: amount representing interest	<u>( 106,645)</u>
Present value of minimum lease payments	\$ <u>1,729,664</u>

## Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Government activities</b>					
General obligation bonds	\$ 1,435,000	\$ -	\$ 345,000	\$ 1,090,000	\$ 350,000
Tax note	-	2,500,000	-	2,500,000	340,000
Time warrants	465,020	84,832	210,215	339,637	145,234
Capital leases	-	1,729,664	-	1,729,664	366,686
Net pension liability	73,277	2,627,279	2,455,489	245,067	-
Net OPEB obligation	916,321	267,948	81,678	1,102,591	-
Compensated absences	123,305	317,670	290,781	150,194	30,039
Governmental activity long-term liabilities	<u>\$ 3,012,923</u>	<u>\$ 7,527,393</u>	<u>\$ 3,383,163</u>	<u>\$ 7,157,153</u>	<u>\$ 1,231,959</u>

## Other Information

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County has not had any significant reductions in insurance coverage in the prior year. The County also provides medical insurance for County employees.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported in the Internal Service Fund. An excess coverage policy covers \$35,000 per participant annually and \$1,000,000 lifetime maximum benefit. Changes in the balances of claims liabilities during the past two years are as follows:

	Years Ended	
	9/30/2015	9/30/2014
Unpaid claims at beginning of year	\$ 107,853	\$ 163,078
Incurred claims (including IBNRs)	2,495,429	2,001,102
Claim payments	( 2,461,676)	( 2,056,327)
Unpaid claims at end of year	<u>\$ 141,606</u>	<u>\$ 107,853</u>

## **Defined Benefit Pension Plan**

**Plan Description.** The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees of the County are required to participate in TCDRS.

**Benefits Provided.** TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

### ***Employees covered by benefit terms***

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	45
Active employees	<u>233</u>
	<u><u>381</u></u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 8% in both calendar years 2014 and 2015, respectively. The County's contributions to TCDRS for the year ended September 30, 2015, were \$666,600, and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The Total Pension Liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment rate of return	8.0%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2015 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> <sup>(1)</sup>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

<sup>(1)</sup> Target asset allocation adopted at the April 2015 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

### ***Discount Rate***

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

### ***Changes in the Net Pension Liability***

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 19,763,863	\$ 19,690,586	\$ 73,277
Changes for the year:			
Service cost	904,252	-	904,252
Interest on total pension liability <sup>(1)</sup>	1,599,983	-	1,599,983
Effect of economic/demographic gains or losses	98,008	-	98,008
Refund of contributions	( 139,987)	( 139,987)	-
Benefit payments	( 786,680)	( 786,680)	-
Administrative expenses	-	( 15,733)	15,733
Member contributions	-	479,959	( 479,959)
Net investment income	-	1,335,589	( 1,335,589)
Employer contributions	-	639,941	( 639,941)
Other <sup>(2)</sup>	-	( 9,303)	9,303
Balance at 12/31/2014	<u>\$ 21,439,439</u>	<u>\$ 21,194,372</u>	<u>\$ 245,067</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Relates to allocation of system-wide items.

### ***Sensitivity Analysis***

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease	Current	1% Increase
	7.1%	Discount Rate 8.1%	9.1%
Total pension liability	\$ 24,332,406	\$ 21,439,439	\$ 19,067,205
Fiduciary net position	<u>21,194,372</u>	<u>21,194,372</u>	<u>21,194,372</u>
Net pension liability/(asset)	<u>\$ 3,138,034</u>	<u>\$ 245,067</u>	<u>\$ ( 2,127,167)</u>

### ***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2015, the County recognized pension expense of \$507,915.

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 78,407
Difference between projected and actual investment earnings	225,410
Contributions subsequent to the measurement date	<u>539,215</u>
Total	<u>\$ 843,032</u>

\$539,215 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For The Year Ended September 30,</u>	
2015	\$ 75,954
2016	75,954
2017	75,954
2018	<u>75,955</u>
Total	<u>\$ 303,817</u>

### **Other Post-retirement Health Care Benefits**

The County provides certain health care and dental benefits, under county policy, for employees upon retirement that meet one of the following requirements: age 60 with 8 or more years of service, at least 30 years of service at any age, or a combined age plus service of at least 75. Employees hired on October 1, 2012 or after will no longer be eligible for such retiree coverage.



Except for employees hired on or after October 1, 2012, a Medina County employee who retires and chooses a monthly pension through Texas County and District Retirement System is covered on Medina County's health and dental insurance plan through the month he or she turns 65. Retirees who take a lump sum payment of retirement savings are only eligible to remain on Medina County's health and dental insurance plan as provided for by COBRA guidelines. The qualified retiree may continue any dependent coverage up to the retiree's age of 65 at the same rate afforded to current employees. When the retiree turns 65 and becomes Medicare eligible, he or she is removed from coverage on Medina County's health and dental insurance plan. The retiree may continue dependent coverage according to COBRA guidelines. Furthermore, the retiree aged 65 or older is eligible to enroll in Texas Association of County Choice Silver Medicare supplement coverage. If he or she so chooses, the County provides a \$50 monthly stipend to the qualified retiree. Spouses are not eligible for the stipend unless they are also qualified County retirees. The continuance of the stipend is subject to approval by Commissioners' Court on an annual basis. The stipend has been offered to qualified retirees since 2002.

Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, post-retirement health care benefits paid by the County were \$81,678.

#### **Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The County's annual OPEB cost for the current year and the related information is listed below:

Annual Required Contribution (ARC)	\$ 280,303
Interest on Net OPEB Obligation	45,816
Adjustment to the ARC	<u>( 58,171)</u>
Annual OPEB Cost	267,948
Employer Contributions with Interest	<u>( 81,678)</u>
Increase (Decrease) in Net OPEB Obligation	186,270
Net OPEB Obligation, beginning of year	<u>916,321</u>
 Net OPEB Obligation, end of year	 <u>\$ 1,102,591</u>

Expenses for post-retirement health care benefits are funded on a pay-as-you-go basis.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (5.0% discount rate, and level percent of pay amortization).

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2013	\$ 251,820	\$ 108,463	43%	\$ 773,905
9/30/2014	259,511	117,095	45%	916,321
9/30/2014	267,948	81,678	30%	1,102,591

### Funding Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (AAL) (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
10/1/2014	\$ -	\$ 2,067,446	\$ 2,067,446	- %	\$ 8,090,426	26%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

The projection of future payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

### Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial methods and significant assumptions used are as follows:

Actuarial Valuation Date	<u>9/30/2013</u>	<u>9/30/2014</u>	<u>9/30/2015</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Remaining Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Market Value	Market Value	Market Value
Actuarial Assumptions:			
Investment Rate of Return	2%	2%	2%
Payroll Growth Rate	3%	3%	3%
Projected Salary Increases	4%	4%	4%
General Inflation Rate	3%	3%	3%
Healthcare cost trend rate	6.5%	6.5%	6.5%
The number of active members is assumed to remain constant in the future			

### **Commitments and Contingencies**

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County's financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

In addition, the County also participates in several federally assisted grant programs, all of which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by any of the respective grantor agencies or should any other contingency become a Medina liability, funds would have to be appropriated in future County budgets for settlements.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**MEDINA COUNTY, TEXAS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Plan Year Ended December 31</b>	<u>2014</u>
<b>Total Pension Liability</b>	
Service Cost	\$ 904,251
Interest total pension liability	1,599,983
Effect of economic/demographic (gains) or losses	98,008
Benefit payments/refunds of contributions	( 926,667)
Net change in total pension liability	1,675,575
Total pension liability - beginning	<u>19,763,863</u>
Total pension liability - ending (a)	<u>\$ 21,439,438</u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 639,941
Member contributions	479,959
Investment income net of investment expenses	1,335,589
Benefit payments refunds of contributions	( 926,667)
Administrative expenses	( 15,735)
Other	<u>( 9,303)</u>
Net change in plan fiduciary net position	1,503,784
Plan fiduciary net position - beginning	<u>19,690,586</u>
Plan fiduciary net position - ending (b)	<u>\$ 21,194,370</u>
Net pension liability - ending (a) - (b)	<u>\$ 245,068</u>
Fiduciary net position as a percentage of total pension liability	98.86%
Pensionable covered payroll	\$ 7,999,314
Net pension liability as a percentage of covered payroll	3.06%

**MEDINA COUNTY, TEXAS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Fiscal Year Ended September 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll (1)</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	\$ 615,394	\$ 615,394	\$ -	\$ 7,817,468	7.9%
2015	666,600	666,600	-	8,332,498	8.0%

(1) Payroll is calculated based on contributions as reported to TCDRS.

# MEDINA COUNTY, TEXAS

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

### FOR THE YEAR ENDED SEPTEMBER 30, 2015

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3%
<b>Salary Increases</b>	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
<b>Investment Rate of Return</b>	0.081
<b>Cost-of-Living Adjustments</b>	Cost-of-Living Adjustments are considered to be substantively automatic under
<b>Retirement Age</b>	Experience-based table of rates based on a study of the period 2009-2012.
<b>Turnover</b>	New employees are assumed to replace any terminated members and have similar entry ages.
<b>Mortality</b>	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
<b>Other Information</b>	There were no benefit changes during the year.

**MEDINA COUNTY, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll
10/1/2012	\$ -	\$ 1,824,137	- %	\$ 1,824,137	\$ 7,124,254	25.60%
10/1/2013	-	1,977,165	- %	1,977,165	7,575,094	26.10%
10/1/2014	-	2,067,446	- %	2,067,446	8,090,426	25.55%



**COMBINING  
FUND STATEMENTS**

**MEDINA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<b>ASSETS</b>				
Cash and investments	\$ 429,008	\$ 159,343	\$ 591,930	\$ 592,047
Receivables:				
Intergovernmental	-	-	-	-
Ad valorem taxes	51,763	33,075	34,187	32,319
Other	59,191	105,537	41,846	59,019
Total assets	539,962	297,955	667,963	683,385
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	96,054	6,342	52,312	35,671
Payroll liabilities	16,851	16,394	11,998	12,976
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	57,778	2,613	-	9,332
Total liabilities	170,683	25,349	64,310	57,979
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	68,602	41,306	50,878	35,347
Total deferred inflows of resources	68,602	41,306	50,878	35,347
Fund balances:				
Restricted	300,677	231,300	552,775	590,059
Unassigned	-	-	-	-
Total fund balances	300,677	231,300	552,775	590,059
Total liabilities and fund balances	\$ 539,962	\$ 297,955	\$ 667,963	\$ 683,385

Special Revenue

Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Community Justice Assistance	WIC	Health Unit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	18,953	180,762	60,871
-	-	-	-	-	-	-
-	-	-	-	14,440	-	1,880
-	-	-	-	33,393	180,762	62,751
-	-	-	-	6,920	7,867	3,889
-	-	-	-	-	9,536	8,831
-	-	-	-	-	-	-
-	-	-	-	42,875	133,368	88,889
-	-	-	-	-	-	-
-	-	-	-	49,795	150,771	101,609
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	29,991	-
-	-	-	-	( 16,402)	-	( 38,858)
-	-	-	-	( 16,402)	29,991	( 38,858)
\$ -	\$ -	\$ -	\$ -	\$ 33,393	\$ 180,762	\$ 62,751

**MEDINA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue			
	Juvenile Probation Department	Nutrition	Sheriff Short-term Grants	Nutrition Discretionary Funds
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 1,572	\$ -	\$ -
Receivables:				
Intergovernmental	90	-	-	-
Ad valorem taxes	-	-	-	-
Other	<u>71,718</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>71,808</u>	<u>1,572</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	19,746	1,072	-	-
Payroll liabilities	1,398	-	-	-
Other liabilities	-	-	-	-
Due to other funds	17,465	-	3,604	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>38,609</u>	<u>1,072</u>	<u>3,604</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	33,199	-	-	-
Unassigned	<u>-</u>	<u>500</u>	<u>( 3,604)</u>	<u>-</u>
Total fund balances	<u>33,199</u>	<u>500</u>	<u>( 3,604)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 71,808</u>	<u>\$ 1,572</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue

Federal Program	Purchase of Youth Services	Texas Capital Fund Grant	County Attorney Special	County Law Library	Court Reporter	Sheriff's Forfeiture - General
\$ -	\$ -	\$ -	\$ 3,793	\$ 1,623	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	1,753	37	-
-	-	-	3,793	3,376	37	-
-	-	172,347	1	44	790	1,301
-	-	-	-	-	-	-
-	514	-	-	-	6,306	173
-	-	-	-	-	-	-
-	514	172,347	1	44	7,096	1,474
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,792	3,332	-	-
-	( 514)	( 172,347)	-	-	( 7,059)	( 1,474)
-	( 514)	( 172,347)	3,792	3,332	( 7,059)	( 1,474)
\$ -	\$ -	\$ -	\$ 3,793	\$ 3,376	\$ 37	\$ -

**MEDINA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue			
	Forfeiture - Constable No. 1	Forfeiture - Constable No. 2	Forfeiture - Constable No. 4	County Clerk Records Management
<b>ASSETS</b>				
Cash and investments	\$ 136	\$ 339	\$ 341	\$ 43,380
Receivables:				
Intergovernmental	-	-	-	-
Ad valorem taxes	-	-	-	-
Other	-	-	-	15,900
	136	339	341	59,280
Total assets	136	339	341	59,280
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	-	-	41
Payroll liabilities	-	-	-	1,138
Other liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	-	-	-	1,179
Total liabilities	-	-	-	1,179
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	136	339	341	58,101
Unassigned	-	-	-	-
	136	339	341	58,101
Total fund balances	136	339	341	58,101
Total liabilities and fund balances	\$ 136	\$ 339	\$ 341	\$ 59,280

Special Revenue

Records Management	Courthouse Security	LEOSE Chapter 415	Graffiti Eradication	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk
\$ 22,501	\$ 58,848	\$ 16,683	\$ 5	\$ 173,673	\$ 22,447	\$ 92,627
-	-	-	-	-	-	-
-	1,929	-	-	-	-	15,840
<u>22,501</u>	<u>60,777</u>	<u>16,683</u>	<u>5</u>	<u>173,673</u>	<u>22,447</u>	<u>108,467</u>
225	119	-	-	358	-	-
-	4,837	-	-	-	-	-
-	-	-	-	-	22,233	-
-	-	-	-	-	-	-
<u>225</u>	<u>4,956</u>	<u>-</u>	<u>-</u>	<u>358</u>	<u>22,233</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
22,276	55,821	16,683	5	173,315	214	108,467
-	-	-	-	-	-	-
<u>22,276</u>	<u>55,821</u>	<u>16,683</u>	<u>5</u>	<u>173,315</u>	<u>214</u>	<u>108,467</u>
<u>\$ 22,501</u>	<u>\$ 60,777</u>	<u>\$ 16,683</u>	<u>\$ 5</u>	<u>\$ 173,673</u>	<u>\$ 22,447</u>	<u>\$ 108,467</u>

**MEDINA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue			
	Records Management Archival District Clerk	Project Safe Neighborhoods	Homeland Security Grants	JAG - District Attorney
<b>ASSETS</b>				
Cash and investments	\$ 23,974	\$ -	\$ 8,876	\$ -
Receivables:				
Intergovernmental	-	368	-	-
Ad valorem taxes	-	-	-	-
Other	270	-	-	-
	24,244	368	8,876	-
Total assets	24,244	368	8,876	-
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	-	-	-
Payroll liabilities	-	-	-	-
Other liabilities	-	-	-	-
Due to other funds	-	1,474	-	-
Unearned revenue	-	-	-	892
	-	1,474	-	892
Total liabilities	-	1,474	-	892
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	24,244	-	8,876	-
Unassigned	-	( 1,106)	-	( 892)
	24,244	( 1,106)	8,876	( 892)
Total fund balances	24,244	( 1,106)	8,876	( 892)
Total liabilities and fund balances	\$ 24,244	\$ 368	\$ 8,876	\$ -



Special Revenue

Justice Court Security	HAVA (Help America Vote Act)	Environmental Health Food Permit	County Public Health	Tropical Storm Erin	Texas Feeding Texans	DA VAWA Grant
\$ 48,172	\$ 37,174	\$ 17,494	\$ 5,694	\$ -	\$ 13,920	\$ -
-	-	-	-	-	-	11,002
-	-	-	-	-	-	-
<u>48,172</u>	<u>37,174</u>	<u>17,494</u>	<u>5,694</u>	<u>-</u>	<u>13,920</u>	<u>11,002</u>
-	-	-	22,673	-	-	-
-	-	-	-	-	-	4,729
-	-	-	-	-	-	-
-	-	-	-	-	-	5,431
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>22,673</u>	<u>-</u>	<u>-</u>	<u>10,160</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
48,172	37,174	17,494	-	-	13,920	842
-	-	-	( 16,979)	-	-	-
<u>48,172</u>	<u>37,174</u>	<u>17,494</u>	<u>( 16,979)</u>	<u>-</u>	<u>13,920</u>	<u>842</u>
<u>\$ 48,172</u>	<u>\$ 37,174</u>	<u>\$ 17,494</u>	<u>\$ 5,694</u>	<u>\$ -</u>	<u>\$ 13,920</u>	<u>\$ 11,002</u>

**MEDINA COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2015**

	Special Revenue				
	Forfeiture - Constable No. 3	D'Hanis Flood Study	COPS Technology Grant	Benton City Water Grant	District Clerk Technology
<b>ASSETS</b>					
Cash and investments	\$ 85	\$ -	\$ 3	\$ -	\$ 2,213
Receivables:					
Intergovernmental	-	43,097	-	3,000	-
Ad valorem taxes	-	-	-	-	-
Other	-	-	-	-	43
Total assets	<u>85</u>	<u>43,097</u>	<u>3</u>	<u>3,000</u>	<u>2,256</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	3,000	-
Payroll liabilities	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	85	43,097	3	-	2,256
Unassigned	-	-	-	-	-
Total fund balances	<u>85</u>	<u>43,097</u>	<u>3</u>	<u>-</u>	<u>2,256</u>
Total liabilities and fund balances	<u>\$ 85</u>	<u>\$ 43,097</u>	<u>\$ 3</u>	<u>\$ 3,000</u>	<u>\$ 2,256</u>

Special Revenue		Debt Service		Capital Project			Total Nonmajor Governmental
CETRZ Grant	Tax Increment Zone	Debt Service	Debt Sinking-Sheriff Auto	Tax Anticipation Note Capital Improvements	Capital Project	East Medina River Line Extension	
\$ 44,370	\$ -	\$ 6,075	\$ -	\$ 1,214,343	\$ -	\$ -	\$ 3,632,689
-	-	-	-	-	-	-	318,143
-	-	33,110	7,644	-	-	-	192,098
46,431	-	22,442	-	-	-	-	458,276
<u>90,801</u>	<u>-</u>	<u>61,627</u>	<u>7,644</u>	<u>1,214,343</u>	<u>-</u>	<u>-</u>	<u>4,601,206</u>
44,370	-	-	-	-	-	-	475,142
-	-	-	-	-	-	-	88,688
-	-	-	-	-	-	-	22,233
-	47,264	8,110	155	-	105,399	-	461,027
-	-	-	-	-	-	-	70,615
<u>44,370</u>	<u>47,264</u>	<u>8,110</u>	<u>155</u>	<u>-</u>	<u>105,399</u>	<u>-</u>	<u>1,117,705</u>
-	-	57,461	4,839	-	-	-	258,433
-	-	57,461	4,839	-	-	-	258,433
46,431	-	-	2,650	1,214,343	-	-	3,640,410
-	( 47,264)	( 3,944)	-	-	( 105,399)	-	( 415,342)
<u>46,431</u>	<u>( 47,264)</u>	<u>( 3,944)</u>	<u>2,650</u>	<u>1,214,343</u>	<u>( 105,399)</u>	<u>-</u>	<u>3,225,068</u>
<u>\$ 90,801</u>	<u>\$ -</u>	<u>\$ 61,627</u>	<u>\$ 7,644</u>	<u>\$ 1,214,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,601,206</u>

**MEDINA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue			
	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4
<b>REVENUES</b>				
Property taxes	\$ 795,211	\$ 477,109	\$ 590,735	\$ 408,953
Licenses and permits	205,655	205,655	205,655	205,655
Intergovernmental	-	-	-	-
Fines and forfeitures	173,806	161,441	161,440	161,441
Charges for services	-	-	-	-
Interest	1,656	828	2,970	2,274
Miscellaneous	<u>366,777</u>	<u>35,874</u>	<u>50,523</u>	<u>37,483</u>
Total revenues	<u>1,543,105</u>	<u>880,907</u>	<u>1,011,323</u>	<u>815,806</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	1,506,251	893,383	863,369	662,489
Health and welfare	-	-	-	-
Capital outlay	86,991	117,383	123,290	83,410
Debt service:				
Principal retirement	-	83,985	61,750	64,480
Interest and fiscal charges	-	8,989	3,057	6,620
Total expenditures	<u>1,593,242</u>	<u>1,103,740</u>	<u>1,051,466</u>	<u>816,999</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 50,137)</u>	<u>( 222,833)</u>	<u>( 40,143)</u>	<u>( 1,193)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from time warrants	-	84,832	-	-
Proceeds from sale of assets	11,445	-	3,245	3,600
Transfers in	201	66,027	-	45,949
Transfers out	<u>( 315,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>( 303,368)</u>	<u>150,859</u>	<u>3,245</u>	<u>49,549</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 353,505)</u>	<u>( 71,974)</u>	<u>( 36,898)</u>	<u>48,356</u>
<b>FUND BALANCES, BEGINNING</b>	<u>654,182</u>	<u>303,274</u>	<u>589,673</u>	<u>541,703</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 300,677</u>	<u>\$ 231,300</u>	<u>\$ 552,775</u>	<u>\$ 590,059</u>

Special Revenue

Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Community Justice Assistance	WIC	Health Unit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
15,579	9,347	11,573	8,012	8,505	575,480	330,774
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	17	-	-
-	-	-	-	-	2,287	17,205
<u>15,579</u>	<u>9,347</u>	<u>11,573</u>	<u>8,012</u>	<u>8,522</u>	<u>577,767</u>	<u>347,979</u>
-	-	-	-	-	-	-
-	-	-	-	22,046	-	-
-	-	-	-	-	-	-
15,579	9,347	11,573	8,012	-	-	-
-	-	-	-	-	373,921	329,220
-	-	-	-	-	189,264	25,172
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,579</u>	<u>9,347</u>	<u>11,573</u>	<u>8,012</u>	<u>22,046</u>	<u>563,185</u>	<u>354,392</u>
-	-	-	-	( 13,524)	14,582	( 6,413)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	4,008
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,008</u>
-	-	-	-	-	-	-
-	-	-	-	( 13,524)	14,582	( 2,405)
-	-	-	-	( 2,878)	15,409	( 36,453)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ ( 16,402)</u>	<u>\$ 29,991</u>	<u>\$ ( 38,858)</u>

**MEDINA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue			
	Juvenile Probation Department	Nutrition	Sheriff Short-term Grants	Nutrition Discretionary Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	124,403	4,433	-
Fines and forfeitures	-	-	-	-
Charges for services	940	-	-	-
Interest	-	-	-	66
Miscellaneous	277	22,151	300	13,105
Total revenues	<u>1,217</u>	<u>146,554</u>	<u>4,733</u>	<u>13,171</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	227,128	-	8,866	-
Public transportation	-	-	-	734
Health and welfare	-	184,861	-	55,575
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>227,128</u>	<u>184,861</u>	<u>8,866</u>	<u>56,309</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 225,911)</u>	<u>( 38,307)</u>	<u>( 4,133)</u>	<u>( 43,138)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from time warrants	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	225,738	55,000	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>225,738</u>	<u>55,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 173)</u>	<u>16,693</u>	<u>( 4,133)</u>	<u>( 43,138)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>33,372</u>	<u>( 16,193)</u>	<u>529</u>	<u>43,138</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 33,199</u>	<u>\$ 500</u>	<u>\$( 3,604)</u>	<u>\$ -</u>

Special Revenue

Federal Program	Purchase of Youth Services	Texas Capital Fund Grant	County Attorney Special	County Law Library	Court Reporter	Sheriff's Forfeiture - General
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	77,484	-	-	-	-
-	-	-	-	22,480	-	7,020
-	-	-	-	-	6,003	-
-	-	-	-	-	-	13
-	-	-	3,144	-	-	5,000
<u>-</u>	<u>-</u>	<u>77,484</u>	<u>3,144</u>	<u>22,480</u>	<u>6,003</u>	<u>12,033</u>
-	-	-	-	-	-	-
-	-	-	-	-	43,501	-
-	-	-	-	55,790	-	17,678
12	-	564,845	-	-	-	-
-	-	-	-	-	-	6,084
-	-	-	-	-	-	-
<u>12</u>	<u>-</u>	<u>564,845</u>	<u>-</u>	<u>55,790</u>	<u>43,501</u>	<u>23,762</u>
( 12)	-	( 487,361)	3,144	( 33,310)	( 37,498)	( 11,729)
-	-	-	-	-	-	-
-	-	315,014	-	41,450	30,240	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>315,014</u>	<u>-</u>	<u>41,450</u>	<u>30,240</u>	<u>-</u>
( 12)	-	( 172,347)	3,144	8,140	( 7,258)	( 11,729)
<u>12</u>	<u>( 514)</u>	<u>-</u>	<u>648</u>	<u>( 4,808)</u>	<u>199</u>	<u>10,255</u>
<u>\$ -</u>	<u>\$ ( 514)</u>	<u>\$ ( 172,347)</u>	<u>\$ 3,792</u>	<u>\$ 3,332</u>	<u>\$ ( 7,059)</u>	<u>\$ ( 1,474)</u>

**MEDINA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue			
	Forfeiture - Constable No. 1	Forfeiture - Constable No. 2	Forfeiture - Constable No. 4	County Clerk Records Management
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	90,639
Charges for services	-	-	-	-
Interest	-	1	1	30
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>1</u>	<u>1</u>	<u>90,669</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	-	-	51,223
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	2,124
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,347</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>1</u>	<u>1</u>	<u>37,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from time warrants	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	1	1	37,322
<b>FUND BALANCES, BEGINNING</b>	<u>136</u>	<u>338</u>	<u>340</u>	<u>20,779</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 136</u>	<u>\$ 339</u>	<u>\$ 341</u>	<u>\$ 58,101</u>



Special Revenue

Records Management	Courthouse Security	LEOSE Chapter 415	Graffiti Eradication	Justice Court Technology	D. A. Federal Forfeiture	Records Management Archival County Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
6,952	14,074	6,514	-	33,643	-	87,829
-	27,101	-	-	-	-	-
-	-	-	-	438	45	301
-	206	-	-	-	-	-
<u>6,952</u>	<u>41,381</u>	<u>6,514</u>	<u>-</u>	<u>34,081</u>	<u>45</u>	<u>88,130</u>
8,064	-	-	-	-	-	129,754
-	-	-	-	30,467	-	-
-	133,353	2,534	-	-	-	-
-	-	-	-	-	-	-
550	42,222	-	-	-	-	60,897
-	-	-	-	-	-	-
<u>8,614</u>	<u>175,575</u>	<u>2,534</u>	<u>-</u>	<u>30,467</u>	<u>-</u>	<u>190,651</u>
( 1,662)	( 134,194)	3,980	-	3,614	45	( 102,521)
-	-	-	-	-	-	-
-	152,222	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>152,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
( 1,662)	18,028	3,980	-	3,614	45	( 102,521)
<u>23,938</u>	<u>37,793</u>	<u>12,703</u>	<u>5</u>	<u>169,701</u>	<u>169</u>	<u>210,988</u>
<u>\$ 22,276</u>	<u>\$ 55,821</u>	<u>\$ 16,683</u>	<u>\$ 5</u>	<u>\$ 173,315</u>	<u>\$ 214</u>	<u>\$ 108,467</u>

**MEDINA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue			
	Records Management Archival District Clerk	Project Safe Neighborhoods	Homeland Security Grants	JAG - District Attorney
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeitures	5,899	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General administration	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Public transportation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from time warrants	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,899	-	-	-
<b>FUND BALANCES, BEGINNING</b>	<u>18,345</u>	<u>( 1,106)</u>	<u>8,876</u>	<u>( 892)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 24,244</u>	<u>\$( 1,106)</u>	<u>\$ 8,876</u>	<u>\$( 892)</u>

Special Revenue

Justice Court Security	HAVA (Help America Vote Act)	Environmental Health Food Permit	County Public Health	Tropical Storm Erin	Texas Feeding Texans	DA VAWA Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,490	-	-	-	-
-	-	-	-	-	21,540	96,322
-	-	-	-	-	-	-
1,231	12,350	-	-	-	-	-
-	-	-	-	-	25	-
-	-	-	-	-	-	44,839
<u>1,231</u>	<u>12,350</u>	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>21,565</u>	<u>141,161</u>
-	-	-	-	-	-	141,259
-	-	-	-	-	-	-
-	-	-	28,437	-	-	-
-	-	-	-	-	-	-
-	-	363	-	-	22,477	-
14,422	-	-	62,729	-	-	-
-	-	-	-	-	-	-
<u>14,422</u>	<u>-</u>	<u>363</u>	<u>91,166</u>	<u>-</u>	<u>22,477</u>	<u>141,259</u>
( 13,191)	<u>12,350</u>	<u>1,127</u>	( 91,166)	-	( 912)	( 98)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	58,281	-	-	-
-	-	-	-	( 201)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>58,281</u>	<u>( 201)</u>	<u>-</u>	<u>-</u>
( 13,191)	12,350	1,127	( 32,885)	( 201)	( 912)	( 98)
<u>61,363</u>	<u>24,824</u>	<u>16,367</u>	<u>15,906</u>	<u>201</u>	<u>14,832</u>	<u>940</u>
<u>\$ 48,172</u>	<u>\$ 37,174</u>	<u>\$ 17,494</u>	<u>\$ ( 16,979)</u>	<u>\$ -</u>	<u>\$ 13,920</u>	<u>\$ 842</u>

**MEDINA COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue				
	Forfeiture Constable #3	D'Hanis Flood Study	COPS Technology Grant	Benton City Water Grant	District Clerk Technology
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	309,175	-
Fines and forfeitures	-	-	-	-	424
Charges for services	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,175</u>	<u>424</u>
<b>EXPENDITURES</b>					
Current:					
General administration	-	694	-	-	-
Legal	-	-	-	-	-
Public safety	-	-	-	-	-
Public transportation	-	-	-	-	-
Health and welfare	-	-	-	309,175	-
Capital outlay	-	10,500	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>11,194</u>	<u>-</u>	<u>309,175</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>( 11,194)</u>	<u>-</u>	<u>-</u>	<u>424</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from time warrants	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	81,546	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>81,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	70,352	-	-	424
<b>FUND BALANCES, BEGINNING</b>	<u>85</u>	<u>( 27,255)</u>	<u>3</u>	<u>-</u>	<u>1,832</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 85</u>	<u>\$ 43,097</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2,256</u>

Special Revenue		Debt Service		Capital Projects			Total Nonmajor Governmental
CETRZ Grant	Tax Increment Zone	Debt Service	Debt Sinking-Sheriff Auto	Tax Anticipation Note Capital Improvements	Capital Project	East Medina River Line Extension	
\$ -	\$ -	\$ 337,431	\$ 8,507	\$ -	\$ -	\$ -	\$ 2,617,946
-	-	-	-	-	-	-	824,110
158,407	-	-	-	-	-	-	1,757,548
-	-	-	-	-	-	-	927,088
-	-	-	-	-	-	-	47,625
-	-	288	-	1,437	-	-	10,390
-	-	-	-	-	-	-	599,171
<u>158,407</u>	<u>-</u>	<u>337,719</u>	<u>8,507</u>	<u>1,437</u>	<u>-</u>	<u>-</u>	<u>6,783,878</u>
-	47,264	-	-	-	-	-	378,258
-	-	-	-	-	-	-	96,014
-	-	-	-	-	-	-	473,786
-	-	-	-	-	-	-	3,970,737
-	-	-	-	-	-	-	1,840,449
-	-	-	-	-	-	-	825,038
-	-	345,000	-	-	-	-	555,215
-	-	26,513	-	37,250	-	-	82,429
-	<u>47,264</u>	<u>371,513</u>	<u>-</u>	<u>37,250</u>	<u>-</u>	<u>-</u>	<u>8,221,926</u>
<u>158,407</u>	<u>( 47,264)</u>	<u>( 33,794)</u>	<u>8,507</u>	<u>( 35,813)</u>	<u>-</u>	<u>-</u>	<u>( 1,438,048)</u>
-	-	-	-	2,500,000	-	-	2,584,832
-	-	-	-	-	-	-	18,290
-	-	7,839	-	-	-	-	1,083,515
<u>( 111,976)</u>	<u>-</u>	<u>-</u>	<u>( 7,839)</u>	<u>( 1,249,844)</u>	<u>-</u>	<u>-</u>	<u>( 1,684,874)</u>
<u>( 111,976)</u>	<u>-</u>	<u>7,839</u>	<u>( 7,839)</u>	<u>1,250,156</u>	<u>-</u>	<u>-</u>	<u>2,001,763</u>
46,431	( 47,264)	( 25,955)	668	1,214,343	-	-	563,715
-	-	22,011	1,982	-	( 105,399)	-	2,661,353
<u>\$ 46,431</u>	<u>\$ ( 47,264)</u>	<u>\$ ( 3,944)</u>	<u>\$ 2,650</u>	<u>\$ 1,214,343</u>	<u>\$ ( 105,399)</u>	<u>\$ -</u>	<u>\$ 3,225,068</u>

**MEDINA COUNTY, TEXAS**

**ROAD AND BRIDGE NO. 1**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Taxes	\$ 803,468	\$ 803,468	\$ 795,211	\$ ( 8,257)
Licenses and permits	227,361	227,361	205,655	( 21,706)
Fines and forfeitures	179,134	179,134	173,806	( 5,328)
Interest	5,500	5,500	1,656	( 3,844)
Miscellaneous	-	366,777	366,777	-
Total revenues	<u>1,215,463</u>	<u>1,582,240</u>	<u>1,543,105</u>	<u>( 39,135)</u>
<b>EXPENDITURES</b>				
Public transportation	1,420,613	1,579,508	1,506,251	73,257
Capital outlay	100,000	100,000	86,991	13,009
Total expenditures	<u>1,520,613</u>	<u>1,679,508</u>	<u>1,593,242</u>	<u>86,266</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>( 305,150)</u>	<u>( 97,268)</u>	<u>( 50,137)</u>	<u>47,131</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	-	11,445	11,445
Transfers in	-	-	201	201
Transfers out	( 18,130)	( 315,015)	( 315,014)	1
Total other financing sources (uses)	<u>( 18,130)</u>	<u>( 315,015)</u>	<u>( 303,368)</u>	<u>11,647</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>( 323,280)</u>	<u>( 412,283)</u>	<u>( 353,505)</u>	<u>58,778</u>
<b>FUND BALANCE, BEGINNING</b>				
	<u>654,182</u>	<u>654,182</u>	<u>654,182</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>				
	<u>\$ 330,902</u>	<u>\$ 241,899</u>	<u>\$ 300,677</u>	<u>\$ 58,778</u>

**MEDINA COUNTY, TEXAS**

**ROAD AND BRIDGE NO. 2**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 486,581	\$ 486,581	\$ 477,109	\$ ( 9,472)
Licenses and permits	227,361	227,361	205,655	( 21,706)
Fines and forfeitures	164,431	164,431	161,441	( 2,990)
Interest	1,500	1,500	828	( 672)
Miscellaneous	-	-	35,874	35,874
Total revenues	<u>879,873</u>	<u>879,873</u>	<u>880,907</u>	<u>1,034</u>
<b>EXPENDITURES</b>				
Public transportation	1,051,364	1,064,178	893,383	170,795
Capital outlay	100,000	238,046	117,383	120,663
Debt service				
Principal	83,988	83,988	83,985	3
Interest	11,093	11,093	8,989	2,104
Total expenditures	<u>1,246,445</u>	<u>1,397,305</u>	<u>1,103,740</u>	<u>293,565</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 366,572)</u>	<u>( 517,432)</u>	<u>( 222,833)</u>	<u>294,599</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from time warrants	-	84,832	84,832	-
Transfers in	-	66,028	66,027	( 1)
Transfers out	( 18,130)	( 18,130)	-	18,130
Total other financing sources (uses)	<u>( 18,130)</u>	<u>132,730</u>	<u>150,859</u>	<u>18,129</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 384,702)</u>	<u>( 384,702)</u>	<u>( 71,974)</u>	<u>312,728</u>
<b>FUND BALANCE, BEGINNING</b>	<u>303,274</u>	<u>303,274</u>	<u>303,274</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ ( 81,428)</u>	<u>\$ ( 81,428)</u>	<u>\$ 231,300</u>	<u>\$ 312,728</u>

**MEDINA COUNTY, TEXAS**

**ROAD AND BRIDGE NO. 3**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 599,362	\$ 599,362	\$ 590,735	\$ ( 8,627)
Licenses and permits	227,361	227,361	205,655	( 21,706)
Fines and forfeitures	164,431	164,431	161,440	( 2,991)
Interest	3,000	3,000	2,970	( 30)
Miscellaneous	-	50,524	50,523	( 1)
Total revenues	<u>994,154</u>	<u>1,044,678</u>	<u>1,011,323</u>	<u>( 33,355)</u>
<b>EXPENDITURES</b>				
Public transportation	915,699	988,075	863,369	124,706
Capital outlay	40,000	123,291	123,290	1
Debt service				
Principal	30,875	62,375	61,750	625
Interest	3,057	3,057	3,057	-
Total expenditures	<u>989,631</u>	<u>1,176,798</u>	<u>1,051,466</u>	<u>125,332</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>4,523</u>	<u>( 132,120)</u>	<u>( 40,143)</u>	<u>91,977</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	3,245	3,245	-
Transfers out	( 18,130)	( 18,130)	-	18,130
Total other financing sources (uses)	<u>( 18,130)</u>	<u>( 14,885)</u>	<u>3,245</u>	<u>18,130</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 13,607)</u>	<u>( 147,005)</u>	<u>( 36,898)</u>	<u>110,107</u>
<b>FUND BALANCE, BEGINNING</b>	<u>589,673</u>	<u>589,673</u>	<u>589,673</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 576,066</u>	<u>\$ 442,668</u>	<u>\$ 552,775</u>	<u>\$ 110,107</u>



**MEDINA COUNTY, TEXAS**

**ROAD AND BRIDGE NO. 4**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 419,212	\$ 419,212	\$ 408,953	\$ ( 10,259)
Licenses and permits	227,361	227,361	205,655	( 21,706)
Fines and forfeitures	164,431	164,431	161,441	( 2,990)
Interest	2,800	2,800	2,274	( 526)
Miscellaneous	1,500	37,484	37,483	( 1)
Total revenues	<u>815,304</u>	<u>851,288</u>	<u>815,806</u>	<u>( 35,482)</u>
<b>EXPENDITURES</b>				
Public transportation	779,223	740,578	662,489	78,089
Capital outlay	-	83,411	83,410	1
Debt service				
Principal	59,380	64,480	64,480	-
Interest	8,203	8,203	6,620	1,583
Total expenditures	<u>846,806</u>	<u>896,672</u>	<u>816,999</u>	<u>79,673</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 31,502)</u>	<u>( 45,384)</u>	<u>( 1,193)</u>	<u>44,191</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	-	3,600	3,600
Transfers in	-	-	45,949	45,949
Transfers out	( 18,130)	( 18,130)	-	18,130
Total other financing sources (uses)	<u>( 18,130)</u>	<u>( 18,130)</u>	<u>49,549</u>	<u>67,679</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 49,632)</u>	<u>( 63,514)</u>	<u>48,356</u>	<u>111,870</u>
<b>FUND BALANCE, BEGINNING</b>	<u>541,703</u>	<u>541,703</u>	<u>541,703</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 492,071</u>	<u>\$ 478,189</u>	<u>\$ 590,059</u>	<u>\$ 111,870</u>

**MEDINA COUNTY, TEXAS**

**COMBINING BALANCE SHEET**

**AGENCY FUNDS**

**SEPTEMBER 30, 2015**

	Agency					
	<u>State Taxes</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Unclaimed Money</u>	<u>Justices of the Peace</u>	<u>Tax Office</u>
<b>ASSETS</b>						
Cash and investments	\$ <u>199,126</u>	\$ <u>220,469</u>	\$ <u>717,494</u>	\$ <u>8,602</u>	\$ <u>80,775</u>	\$ <u>1,270,161</u>
Total assets	\$ <u>199,126</u>	\$ <u>220,469</u>	\$ <u>717,494</u>	\$ <u>8,602</u>	\$ <u>80,775</u>	\$ <u>1,270,161</u>
<b>LIABILITIES</b>						
Liabilities:						
Due to others	\$ <u>199,126</u>	\$ <u>220,469</u>	\$ <u>717,494</u>	\$ <u>8,602</u>	\$ <u>80,775</u>	\$ <u>1,270,161</u>
Total liabilities	\$ <u>199,126</u>	\$ <u>220,469</u>	\$ <u>717,494</u>	\$ <u>8,602</u>	\$ <u>80,775</u>	\$ <u>1,270,161</u>

Agency							
<u>County Sheriff</u>	<u>Employee Trust Claims</u>	<u>Cafeteria Plan</u>	<u>Probations</u>	<u>Adult Probations</u>	<u>4th Court of Appeals</u>	<u>Medina County Elected Official Escrow</u>	<u>Totals</u>
\$ <u>142,517</u>	\$ <u>802</u>	\$ <u>8,808</u>	\$ <u>69,227</u>	\$ <u>25</u>	\$ <u>340</u>	\$ <u>385,500</u>	\$ <u>3,103,846</u>
\$ <u>142,517</u>	\$ <u>802</u>	\$ <u>8,808</u>	\$ <u>69,227</u>	\$ <u>25</u>	\$ <u>340</u>	\$ <u>385,500</u>	\$ <u>3,103,846</u>
\$ <u>142,517</u>	\$ <u>802</u>	\$ <u>8,808</u>	\$ <u>69,227</u>	\$ <u>25</u>	\$ <u>340</u>	\$ <u>385,500</u>	\$ <u>3,103,846</u>
\$ <u>142,517</u>	\$ <u>802</u>	\$ <u>8,808</u>	\$ <u>69,227</u>	\$ <u>25</u>	\$ <u>340</u>	\$ <u>385,500</u>	\$ <u>3,103,846</u>

# **SINGLE AUDIT SECTION**



P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable County Judge  
And Commissioners Court  
Medina County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Medina County, Texas as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Medina County, Texas' basic financial statements, and have issued our report thereon dated May 6, 2016.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Medina County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Medina County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Medina County, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Medina County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medina County, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Pattillo, Brown + Hill, L.L.P.*

Waco, Texas  
May 6, 2016



P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable County Judge and  
Commissioners Court  
Medina County, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Medina County, Texas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2015. Medina County, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Medina County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Medina County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Medina County, Texas' compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Medina County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Medina County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Medina County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Medina County, Texas' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Pattillo, Brown + Hill, L.L.P.*

Waco, Texas  
May 6, 2016



**MEDINA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b><u>U. S. Department of Agriculture</u></b>			
Pass-through Texas Department of State Health Services: Special Supplemental Food Nutrition Program for Women, Infants, and Children	10.557	2015-047367-001	\$ <u>575,570</u>
Total Passed through Texas Department of State Health Services			<u>575,570</u>
Total U. S. Department of Agriculture			<u>575,570</u>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
Pass-through Texas Department of Agriculture: Community Development Block Grants/ State's Programs	14.228	713320	251,500
Community Development Block Grants/ State's Programs	14.228	7214072	<u>77,484</u>
Total Passed through Texas Department of Agriculture			<u>328,984</u>
Total U. S. Department of Housing and Urban Development			<u>328,984</u>
<b><u>U. S. Department of Justice</u></b>			
Pass-through the Office of the Governor Criminal Justice Division: State Criminal Alien Assistance Program	16.606	2015-AP-BX-0382	510
Violence Against Women Act	16.588	2304405	90,344
Violence Against Women Act	16.588	2304406	<u>5,978</u>
Total Passed through the Office of the Governor Criminal Justice Division			<u>96,832</u>
Total U. S. Department of Justice			<u>96,832</u>

**MEDINA COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures
<b><u>U. S. Department of Health and Human Services</u></b>			
Pass-through Alamo Area Council of Governments:			
Title III, Part C Nutrition Services	93.045	172900	\$ 36,545
NSIP - Nutrition Services Incentive Program	93.053	172900	<u>5,880</u>
Total Passed through Alamo Area Council of Governments			<u>42,425</u>
Pass-through Texas Department of Aging and Disability Services:			
Title XX Community Care for the Aged and Disabled	93.667	172900	<u>52,143</u>
Total Passed through Texas Department of Aging and Disability Services			<u>52,143</u>
Total U. S. Department of Health and Human Services			<u>94,568</u>
Total Federal Awards			\$ <u>1,095,954</u>

**MEDINA COUNTY, TEXAS**  
**NOTE TO SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2015**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Medina County, Texas (the "County") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations.

**MEDINA COUNTY, TEXAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance  
for major programs Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Section 510(a) of OMB Circular A-133? None

Identification of major programs:

CFDA Number(s) Name of Federal Program or Cluster:  
#10.557 Special Supplemental Nutrition Program for  
Women, Infants, and Children (WIC)

Dollar threshold used to distinguish between type A  
and type B programs \$300,000

Auditee qualified as low-risk auditee for federal single audit? Yes

**Findings Related to the Financial Statements Which Are  
Required to be Reported in Accordance With Generally  
Accepted Government Auditing Standards**

None

**Findings and Questioned Costs for Federal Awards**

None

**MEDINA COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

None